

**COMMONWEALTH OF KENTUCKY
CITY OF TAYLORSVILLE**

**SUMMARY
OF
CITY ORDINANCE NO. 294
REGARDING OCCUPATIONAL LICENSE TAX**

This summary is made pursuant to the authority of KRS 83A.060(9), which allows the City to prepare for reading and for publication, a summary of an Ordinance in lieu of the reading and the publication of the full Ordinance itself, the summary of which is as follows:

- A. The title of the Ordinance is: Imposition and Administration and the Payment of an Occupational License Tax by All Persons Employed and/or Working Within the City of Taylorsville.
- B. Authority of the Ordinance is pursuant to Section 181 of the Kentucky Constitution, KRS 92.281 and any other appropriate authority.
- C. The Ordinance sets forth the following sections:

- 1 Definitions
- 2 Occupational License Tax Payment Required
- 3 Apportionment
- 4 Employers to Withhold
- 6 Returns Required
- 6 Extensions
- 7 Refunds
- 8 Federal Audit Provisions
- 9 Administrative Provisions
- 10 Information to Remain Confidential
- 11 Penalties
- 12 Use of Occupational License Tax
- 13 Severability
- 14 Effective Date

- D. Section 3 of the Ordinance, which imposes the tax, reads as follows:

§ 3 - Occupational License Tax Payment Required

- (1) Except as provided in subsection (2) of this section, every person employed with the City of Taylorsville who is required to make a filing with the Internal Revenue Service or the Kentucky Revenue Cabinet shall be required to file and pay to the city an occupational license tax for the privilege of engaging in such activities within the city. The occupational

license tax shall be measured by .75% of all wages and compensation paid or payable in the city for work done or services performed or rendered in the city by every resident and nonresident who is an employee as defined in Paragraph 8 of Section 1 of the Definitions as any person who renders services to another person or any business entity for compensation, including an officer of a corporation and any officer, employee, or elected official of the United States, a state, or any political subdivision of a state, or any agency of instrumentality of any one (1) or more of the above. A person classified as an independent contractor under the Internal Revenue Code shall not be considered an employee.

- (2) The occupational license tax imposed in this section shall not apply to the following persons or business entities:
- (a) Any bank, trust company, combined bank and trust company, combined trust, banking and title insurance company organized and doing business in this state, any savings and loan association whether state or federally chartered;
 - (b) Any compensation received by members of the Kentucky National Guard for active duty training, unit training assemblies and annual field training;
 - (c) Any compensation received by precinct workers for election training or work at election booths in state, county, and local primary, regular, or special elections;
 - (d) Public Service Corporations that pay an ad valorem tax on property valued and assessed by the Kentucky Department of Revenue pursuant to the provisions of KRS 136.120. Licensees whose businesses are predominantly non-public service who are also engaged in public service activity are required to pay a license fee on their net profits derived from the non-public service activities apportioned to the city;
 - (e) Persons or business entities that have been issued a license under KRS Chapter 243 to engage in manufacturing or trafficking in alcoholic beverages. Persons engaged in the business of manufacturing or trafficking in alcoholic beverages are required to file a return, but may exclude the portion of their gross receipts derived from the manufacturing or trafficking in alcoholic beverages;
 - (f) Life insurance companies incorporated under the laws of and doing business in the Commonwealth of Kentucky.

E. Section 12 of the Ordinance, sets forth the penalties, which reads as follows:

§ 12 – Penalties

- (1) Any person subject to tax may be subject to a penalty equal to five percent (5%) of the tax due for each calendar month or fraction thereof if the person:
 - (a) Fails to file any return or report on or before the due date prescribed for filing or as extended by the city; or
 - (b) Fails to pay the tax computed on the return or report on or before the due date prescribed for payment.

The total penalty levied pursuant to this subsection shall not exceed twenty-five percent (25%) of the total tax due; however, the penalty shall not be less than twenty-five dollars (\$25).
- (2) Every employer who fails to file a return or pay the tax on or before the time prescribed under Section (5) of this ordinance may be subject to a penalty in amount equal to five percent (5%) of the tax due for each calendar month or fraction thereof. The total penalty levied pursuant to this subsection shall not exceed twenty-five percent (25%) of the total tax due; however, the penalty shall not be less than twenty-five dollars (\$25).
- (3) In addition to the penalties prescribed in this section, any person or employer shall pay, as part of the tax, an amount equal to twelve percent (12%) per annum simple interest on the tax shown due, but not previously paid, from the time the tax was due until the tax is paid to the city. A fraction of a month is counted as an entire month.
- (4) Every tax imposed by this ordinance, and all increases, interest, and penalties thereon, shall become, from the time the tax is due and payable, a personal debt of the taxpayer to the city.
- (5) The city may enforce the collection of the occupational tax due under section (3) of this ordinance and any fees, penalties, and interest as provided in subsections (1), (2), (3), and (4) of this section by civil action in a court of appropriate jurisdiction. The city shall be entitled to recover all court costs and reasonable attorney fees incurred by it in enforcing any provision of this ordinance.
- (6) In addition to the penalties prescribed in this section, any person or employer who willfully fails to make a return or willfully makes a false return, or who willfully fails to pay taxes owing or collected, with the intent to evade payment of the tax or amount collected, or any part thereof, shall be guilty of a Class A misdemeanor.
- (7) Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with, any matter arising under this ordinance of a return, affidavit, claim, or other document, which is fraudulent or is false as to any material matter, whether or not the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, shall be guilty of a Class A misdemeanor.
- (8) A return for the purpose of this section shall mean and include any return, declaration, or form prescribed by the city and required to be filed with the

city by the provisions of this ordinance, or by the rules of the city or by written request for information to the person or business entity by the city.

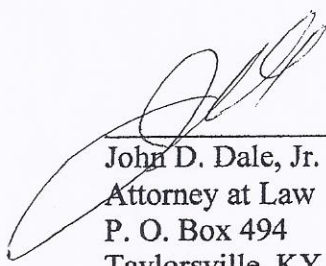
- (9) Any person violating the provisions of section (11) of this ordinance by intentionally inspecting confidential taxpayer information without authorization, shall be fined not more than five hundred dollars (\$500) or imprisoned for not longer than six (6) months, or both.
- (10) Any person violating the provisions of section (11) of this ordinance by divulging confidential taxpayer information shall be fined not more than one thousand (\$1,000) or imprisoned for not more than one (1) year, or both.

F. The Ordinance becomes effective upon the final reading and publication, with the Occupational Tax to become effective on January 1, 2008, for the taxable year of 2008, for all employers and employees operating on a calendar tax year and beginning January 1, 2008, for the second half of the fiscal year 2007/2008 for all employers and employees operating on a fiscal tax year.

G. THE FULL TEXT OF THE ORDINANCE IS ON FILE AND MAY BE REVIEWED AT TAYLORSVILLE CITY HALL, LOCATED AT 70 TAYLORSVILLE ROAD, TAYLORSVILLE, KENTUCKY, BETWEEN THE NORMAL WORKING HOURS OF 8:00 A.M. TO 4:30 P.M., MONDAY THROUGH FRIDAY.

H. I certify that I am a licensed and practicing attorney in the Commonwealth of Kentucky and the foregoing summary was prepared by myself in accordance with KRS 83A.060(9).

WITNESS my hand this the 8th day of October, 2007.



John D. Dale, Jr.
Attorney at Law
P. O. Box 494
Taylorsville, KY 40071
(502) 477-2296

Date of First Reading
Date of Second Reading
Date Published

September 14, 2007
September 17, 2007
October 10, 2007